

EXHIBIT 2



LAWS

BASIC LAW OF GOVERNANCE

The Custodian of the Two Holy Mosques, King Fahd Bin Abdulaziz Al-Saud issued a Royal Decree embodying the Basic Law of Governance. The following is the text of the Decree.

In the name of God, the most compassionate, the most Merciful.

No: A/90

Dated 27th Sha'ban 1412 H (1 March 1992)

With the help of God, we, Fahd Bin Abdulaziz Al-Saud, Monarch of the Kingdom of Saudi Arabia, having taken into consideration the public interest, and in view of the progress of the State in various fields and out of the desire to achieve the objectives we are pursuing, have decreed the following:

- That the promulgation of the Basic Law of Governance is as the attached text.
- That all regulations, orders and decrees in force shall remain valid when this Basic Law comes into force, until they are amended to conform with it.
- That this decree shall be published in the Official Gazette, and shall come into force on the date of its publication.

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CHAPTER ONE: GENERAL PRINCIPLES

Article 1:

The Kingdom of Saudi Arabia is a sovereign Arab Islamic State. Its religion is Islam. Its constitution is Almighty God's Book, The Holy Qur'an, and the Sunna (Traditions) of the Prophet (PBUH). Arabic is the language of the Kingdom. The City of Riyadh is the capital.

Article 2:

The State public holidays are Eid Al Fitr (the Feast of Ramadan) and Eid Al Adha (The Feast of the Sacrifice). Its calendar follows the Hijri year (the lunar year).

Article 3:

The flag of the State is as follows:

1. Its color is green
2. Its width equals two thirds of its length

The words: "There is no god but God and Mohammed is His Messenger" are inscribed in the center, with a drawn sword underneath. The flag should never be inverted. The Law will specify the rules pertaining to the flag.

Article 4:

The State's Emblem represents two crossed swords with a palm tree in the middle of the upper space between them. The Law will define the State's Anthem and medals

CHAPTER TWO: THE LAW OF GOVERNANCE

Article 5:

- Monarchy is the system of rule in the Kingdom of Saudi Arabia
- Rulers of the country shall be from amongst the sons of the founder King Abdulaziz bin Abdulrahman Al-Faisal Al-Saud, and their descendants.
- The most upright among them shall receive allegiance according to Almighty God's Book and His Messenger's Sunna (Traditions).
- The Crown Prince shall devote himself exclusively to his duties as Crown Prince and shall perform any other duties delegated to him by the King.
- Upon the death of the King, the Crown Prince shall assume the Royal powers until a pledge of allegiance (bay'a) is given.

Article 6:

In support of the Book of God and the Sunna of His Messenger (PBUH), citizens shall give the pledge of allegiance (bay'a) to the King, professing loyalty in times of hardship and ease.

Article 7:

Government in the Kingdom of Saudi Arabia derives its authority from the Book of God and the Sunna of the Prophet (PBUH), which are the ultimate sources of reference for this Law and the other laws of the State.

Article 8:

Governance in the Kingdom of Saudi Arabia is based on justice, shura (consultation) and equality according to Islamic Sharia.

CHAPTER THREE: THE VALUES OF SAUDI SOCIETY

Article 9:

The family is the nucleus of Saudi Society. Members of the family shall be raised in the Islamic Creed, which demands allegiance and obedience to God, to His Prophet and to the rulers, respect for and obedience to the laws, and love for and pride in the homeland and its glorious history.

Article 10:

The State shall aspire to promote family bonds and Arab-Islamic values. It shall take care of all individuals and provide the right conditions for the growth of their talents and skills.

Article 11:

Saudi society is based on full adherence to God's guidance. Members of this society shall cooperate amongst themselves in charity, piety and cohesion.

Article 12:

Consolidation of the national unity is a duty. The State shall forbid all activities that may lead to division, disorder and partition.

Article 13:

The aim of education is to implant the Islamic Creed in the hearts of all youths, to help them acquire knowledge and skills, to qualify them to become useful members of their society, to love their homeland and take pride in its history.

CHAPTER FOUR: ECONOMIC PRINCIPLES

Article 14:

All natural resources that God has deposited underground, above ground, in territorial waters or within the land

and sea domains under the authority of the State, together with revenues of these resources, shall be the property of the State, as provided by the Law.

The Law shall specify means for exploitation, protection and development of these resources in the best interest of the State, and its security and economy.

Article 15:

No concessions or licenses to exploit any public resources of the country shall be granted unless authorized by provisions of the Law.

Article 16:

Public funds are inviolable. They shall be protected by the State and safeguarded by all citizens and residents.

Article 17:

Ownership, capital and labor are basic components of the economic and social entity of the Kingdom. They are personal rights which perform a social function in accordance with the Islamic Sharia.

Article 18:

The State shall guarantee private ownership and its sanctity. No-one shall be deprived of his private property, unless in service of the public interest. In this case, a fair compensation shall be given to him.

Article 19:

General confiscation of assets is prohibited. No confiscation of an individual's assets shall be enforced without a judicial ruling.

Article 20:

No taxes or fees shall be imposed, except in need and on a just basis. Imposition, amendment, cancellation or exemption shall take place according to the provisions of the Law.

Article 21:

Zakat shall be collected and spent for legitimate expenses.

Article 22:

Economic and social development shall be carried out according to a fair, wise plan.

CHAPTER FIVE: RIGHTS AND DUTIES

Article 23:

The State shall protect the Islamic Creed, apply the Sharia, encourage good and discourage evil, and undertake its duty regarding the Propagation of Islam (Da'wa).

The State shall develop and maintain the Two Holy Mosques. It shall provide care and security to pilgrims to help them perform their Hajj and Umra and visit to the Prophet's Mosque in ease and comfort.

Article 25:

The State shall nourish the aspirations of Arab and Muslim nations in solidarity and harmony and strengthen relations with friendly states.

Article 26:

The State shall protect human rights in accordance with the Sharia.

Article 27:

The State shall guarantee the rights of the citizens and their families in cases of emergency, illness, disability and old age. The State shall support the Social Insurance Law and encourage organizations and individuals to participate in philanthropic activities.

Article 28:

The State shall facilitate job opportunities for every able person, and enact laws to protect the worker and the employer.

Article 29:

The State shall patronize sciences, letters and culture. It shall encourage scientific research, protect the Islamic and Arab heritage, and contribute towards Arab, Islamic and human civilization.

Article 30:

The State shall provide public education and commit itself to the eradication of illiteracy.

Article 31:

The State shall look after public health and provide health care for every citizen.

Article 32:

The State shall work towards the preservation, protection and improvement of the environment, as well as prevent pollution.

Article 33:

The State shall form armed forces and equip them to defend the Islamic Creed, the Two Holy Mosques, the society and the homeland.

Article 34:

It shall be the duty of every citizen to defend the Islamic Creed, the society and homeland. The Law shall specify rules for military service.

Article 35:

The Law shall specify rules pertaining to Saudi Arabian nationality.

Article 36:

The State shall provide security for all citizens and residents on its territories. No-one may be confined, arrested or imprisoned without reference to the Law.

Article 37:

Dwellings are inviolate. Access is prohibited without their owners' permission. No search may be made except in cases specified by the Law.

Article 38:

No-one shall be punished for another's crimes. No conviction or penalty shall be inflicted without reference to the Sharia or the provisions of the Law. Punishment shall not be imposed ex post facto.

Article 39:

Mass media and all other vehicles of expression shall employ civil and polite language, contribute towards the education of the nation and strengthen unity. It is prohibited to commit acts leading to disorder and division, affecting the security of the state and its public relations, or undermining human dignity and rights. Details shall be specified in the Law.

Article 40:

The privacy of telegraphic and postal communications, and telephone and other means of communication, shall be inviolate. There shall be no confiscation, delay, surveillance or eavesdropping, except in cases provided by the Law.

Article 41:

Residents in the Kingdom of Saudi Arabia shall abide by its laws, observe the values of the Saudi community and respect Saudi traditions and feelings.

Article 42:

The State shall grant the right of political asylum provided it is in the public interest. International agreements and laws shall define rules and procedures for the extradition of common criminals.

Article 43:

Councils held by the King and the Crown Prince shall be open for all citizens and anyone else who may have a complaint or a grievance. A citizen shall be entitled to address public authorities and discuss any matters of concern to him.

CHAPTER SIX: THE AUTHORITIES OF THE STATE

Article 44:

The Authorities of the State consist of:

- The Judicial Authority
- The Executive Authority
- The Regulatory Authority

These Authorities will cooperate in the performance of their functions, according to this Law or other laws.

The King is the ultimate arbiter for these Authorities.

Article 45:

The Holy Qur'an and the Sunna (Traditions) of God's Messenger shall be the source for fatwas (religious advisory rulings). The Law shall specify hierarchical organization for the composition of the Council of the Senior Ulema, the Research Administration, and the Office of the Mufti, together with their functions.

Article 46:

The Judiciary is an independent authority. The decisions of judges shall not be subject to any authority other than the authority of the Islamic Sharia.

Article 47:

All people, either citizens or residents in the Kingdom, are entitled to file suit on an equal basis. The Law shall specify procedures for this purpose.

Article 48:

The Courts shall apply rules of the Islamic Sharia in cases that are brought before them, according to the Holy Qur'an and the Sunna, and according to laws which are decreed by the ruler in agreement with the Holy Qur'an and the Sunna.

Article 49:

Courts are empowered to arbitrate in all disputes and crimes, taking into account the provisions of Article 53 of this Law.

Article 50:

The King or whomsoever he may deputize shall concern himself with the implementation of judicial rulings.

Article 51:

The Law shall specify the composition of the Supreme Judiciary Council and its functions, as well as the hierarchy for the courts and their functions.

Article 52:

Judges shall be appointed and relieved by Royal Decree, based on a proposal of the Supreme Judiciary Council, in accordance with provisions of the Law.

Article 53:

The Law shall specify the hierarchy of the Board of Grievances and its functions.

Article 54:

The Law shall specify the relationship between the Commission of Inquiry and the Attorney-General and their organization and functions.

Article 55:

The King shall rule the nation according to the Sharia. He shall also supervise the implementation of the Sharia, the general policy of the State, and the defense and protection of the country.

Article 56:

The King is the Prime Minister. Members of the Council of Ministers shall assist him in the performance of his mission according to the provisions of this Law and other laws. The Council of Ministers Law shall specify the powers of the Council in respect of internal and external affairs, organization of governmental departments and their coordination. In additions, the Law shall specify the qualifications and the powers of the ministers, ministerial accountability procedures and all matters pertaining to the ministers. The Law of the Council of Ministers and the areas of their authority may be amended according to this Law.

Article 57:

- The King shall appoint and relieve deputies of the Prime Minister and member minister of the Council by Royal Decree.
- Deputies of the Prime Minister and member ministers of the Council shall be jointly responsible to the King for the implementation of the Sharia, laws and the general policy of the State.
- The King is entitled to dissolve and reconstitute the Council of Ministers.

Article 58:

The King shall appoint those who are at the rank of ministers and deputy ministers, and those who are at the highest grade and relieve them by a Royal Decree as provided by the Law. Ministers and heads of independent departments shall be answerable to the King in respect of the ministries and agencies they head.

Article 59:

The Law shall specify the rules of the Civil Service, including salaries, awards, compensations, privileges, and pensions.

Article 60:

The King is the Supreme Commander of the Armed Forces. He shall appoint and dismiss officers form service, as provided by terms of the Law.

Article 61:

The King shall announce any state of emergency or general mobilization and shall declare war. The Law shall specify rules for this purpose.

Article 62:

If an imminent danger is threatening the safety of the Kingdom, the integrity of its territories or the security and interests of its people, or is impeding the functions of official organizations, the King may take urgent measures to deal with such a danger. When he considers that these measures should continue, necessary arrangements shall be made in accordance with the Law.

Article 63:

The King shall receive kings and heads of state, appoint his representatives to other states, and receive credentials of other states' representatives accredited to him.

Article 64:

The King shall award medals according to provisions of the Law.

Article 65:

The King may delegate some powers of authority to the Crown Prince by Royal Decree.

Article 66:

Should the King happen to travel abroad, he shall issue a Royal Decree to deputize the Crown Prince to manage the affairs of state and look after the interests of the people, as set out in the Royal Decree.

Article 67:

The Regulatory Authority shall be concerned with the making of laws and regulations which will safeguard all interests, and remove evil from the State's affairs, according to Sharia. Its powers shall be exercised according to provisions of this Law and the Law of the Council of Ministers and the Law of the Shura Council.

Article 68:

The Shura Council shall be established. Its Law shall specify the details of its formation, powers and selection of members. The King may dissolve and reconstitute Majlis Ash-Shura.

Article 69:

The King may summon Majlis Ash-Shura and the Council of Ministers for a joint session. He may summon others whom he deems necessary to attend the meeting and discuss whatever affairs he considers fit.

Article 70:

Laws, international agreements, treaties and concessions shall be approved and amended by Royal Decrees.

Article 71:

Laws shall be published in the Official Gazette, and implemented effective from the date of publication, unless another date is specified.

CHAPTER SEVEN: FINANCIAL AFFAIRS

Article 72:

- The Law shall include provisions for the State's revenues and their depositing with the General Treasury of the State
- Revenues shall be recorded and spent according to procedures stipulated by provisions of the Law.

Article 73:

No commitment to pay a sum of money from the General Treasury shall be made without adherence to budget rules. If provisions of the budget cannot cover the demand, then a provision shall be made through a Royal Decree.

Article 74:

Assets of the State may not be sold, rented or disposed of unless so authorized by the Law.

Article 75:

Laws shall specify provisions for currency, banks, standards, measures and weights.

Article 76:

The Law shall set the fiscal year for the State. The budget shall be announced according to a Royal Decree. It shall specify assessed amounts of revenue and expenditure one month ahead of the coming fiscal year. If the budget cannot be issued due to compelling reasons before the beginning of the new fiscal year, the budget of the previous year shall remain in force until the new budget can be issued.

Article 77:

The competent department shall prepare the closing account of the State for the past year and forward it to the Prime Minister.

Article 78:

Budgets and closing accounts of departments which have corporate rights, shall be subject to the same procedures which are applicable to the State's budget and closing accounts

CHAPTER EIGHT: INSTITUTIONS OF AUDIT

Article 79:

All revenues and expenditures of the State, as well as movable and fixed assets, shall be subsequently audited to ensure proper use and management. An annual report to this effect shall be forwarded to the Prime Minister. The Law shall specify details of the competent auditing institution, together with its affiliations and areas of authority.

Article 80:

Governmental institutions shall also be audited to ensure proper administrative performance and implementation

of laws. Financial and administrative violations shall be investigated. An annual report shall be forwarded to the Prime Minister. The Law shall specify details of the competent institution in charge, together with its affiliations and areas of authority.

CHAPTER NINE: GENERAL PRINCIPLES

Article 81:

With regard to treaties and agreements, the application of this Law shall not violate commitments of the Kingdom of Saudi Arabia towards other states, international organizations and bodies.

Article 82:

No provision of this Law whatsoever may be suspended except on a temporary basis, such as in wartime or during the declaration of a state of emergency. Such a suspension shall be in accordance with the terms of the Law and may not violate Article 7.

Article 83:

No amendment to this Law shall be made, except in the same manner as it was promulgated.

RELATED DOCUMENTS

[King Fahd's Speech on issuance of Basic Law of Governance](#)



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